

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF INDIANA**

|                            |   |                          |
|----------------------------|---|--------------------------|
| In re:                     | ) | Chapter 11               |
|                            | ) |                          |
| MH EQUITY MANAGING MEMBER, | ) | Case No. 13-06283-JKC-11 |
| LLC,                       | ) |                          |
|                            | ) | Hon. James K. Coachys    |
| Debtor.                    | ) |                          |

**MOTION OF MERCHANT CREDITORS FOR SANCTIONS AGAINST THE DEBTOR  
AND STEPHEN HILBERT PURSUANT TO BANKRUPTCY RULE 9011**

Merchant Capital, LLC (“Merchant Capital”) and Menard, Inc. (“Menard,” and collectively with Merchant Capital, the “Merchant Creditors”), by their undersigned counsel, respectively move (the “Motion”) this Court, pursuant to Rule 9011 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) for entry of an order finding that MH Equity Managing Member, LLC (the “Debtor”) and Stephen Hilbert (“Hilbert”) violated Rule 9011 of the Bankruptcy Rules in filing the above-captioned chapter 11 case, and sanctioning the Debtor and Hilbert accordingly. For the reasons explained in the Merchant Creditors’ accompanying Memorandum of Law, which the Merchant Creditors incorporate and rely on, the Debtor and Hilbert filed this bankruptcy case for an improper purpose and without evidentiary support and the Debtor and Hilbert should therefore be sanctioned pursuant to Rule 9011 of the Bankruptcy Rules.

WHEREFORE, Merchant Capital, LLC and Menard, Inc. respectfully request that the Court grant this Motion and sanction MH Equity Managing Member, LLC and Stephen Hilbert for filing the above-captioned bankruptcy case for an improper purpose and without evidentiary support; and grant any further relief that the Court deems just and proper.

Dated: December 20, 2013

Respectfully Submitted,

/s/ Michael D. Freeborn

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